



Biweekly Narrative Seafood Report(No: 1-2002): Korea

Prepared by Alaska State Trade Representative in Korea
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1. Korean Economy Update

Economic recovery is in progress, no longer a forecast

All current economic activity data suggests that recovery of the Korean economy is in progress and no longer a "forecast" for this year. Stronger than expected industrial production in November hints that the fourth quarter of last year will restore the growth trend, perhaps exceeding 6 percent in terms of the seasonally adjusted annualized rate.

The remaining condition for a "full-fledged" recovery for Korea, however, is a rebound in U.S. dollar-valued export growth, which will likely come with the recovery of the global economy. Chances are that Korea's gross domestic product will be far above the growth trend, if a recovery finally materializes.

Meanwhile, the Korean currency market will continue to be driven by the Japanese yen's movement, and the yen to won cross rate of 10.0 will likely be maintained, if the dollar to yen rate rises further to 135. If the dollar to yen does not return to the range of 125 -130 in the near future, the dollar to won should also return to the range of 1,260-1,310, or fall even lower on economic fundamentals and stock market movements.

(Source: January 3rd edition of Citi-SSB Weekly Report)

2. Fisheries News in Korea

Fishing fees in Russian waters up 10.2 percent

Korean fishing operators have agreed to pay the Russian government \$183 per ton for Alaskan pollock caught in the Bering Sea, the Ministry of Maritime Affairs and Fisheries said yesterday.

The fee is 10.2 percent higher than last year and comes on the heels of an agreement reached last month between Seoul and Moscow that allows Korean vessels to catch 25,000 tons of Alaskan pollock in Russia's exclusive economic zone (EEZ) this year.

The pollock fees were \$166 per ton last year, \$161 in 2000 and 1999 and \$135 in 1998.

The Russian government has issued Alaskan pollock fishing permits to 24 Korean trawlers this year.

(Source: January 3, 2002, the Korea Herald, Seoul, Korea)

Stock of Pollock and squid has run short

The stock of such main species as frozen pollock and squid has run short. According to the Korean Ministry of Marine Affairs and Fisheries, as of November 2001, the stock of frozen pollock decreased to 35,043 tons from 53,984 tons in 2000, 35% down from the same period of 2000. In case of frozen squid, its stock reduced from 119,497 tons to 91,712 tons, 23% decrease from the previous period. Meanwhile, the stock of mackerel and Atka mackerel went up four times. One of the main reasons for shortage in stock is poor harvest by local fishermen.

(Source: January 7, 2002, the Korea Fisheries Times, Seoul, Korea)